

1.9
Ex892 Cea

LIBRARY
RECEIVED

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS

U. S. Department of Agriculture
and State Agricultural Colleges
Cooperating

Extension Service, Office of
Cooperative Extension Work, Department of Agriculture
Washington, D. C.

★ JUL 23 1929 ★

COORDINATING EXTENSION WORK, FARM MANAGEMENT, AND PRODUCTION PROGRAM*

A. E. Anderson,
Director of Extension Service
South Dakota State College of Agriculture and Mechanic Arts

An administrator of Extension Work naturally promotes a program that renders the maximum value to the farming public of the state and at the same time secures and sustains public support for the Extension Service. A program which increases the farm income and recognized by farmers as doing so, is the one that will secure support and appropriations making possible the continued service for which we are organized. An administrator of Extension Work is concerned with securing both local and state appropriations in order that maximum service can be rendered to the tax-payers of his state.

What type of program accomplishes the maximum net economic returns to farmers? Is it an isolated project or is it a combination of correlated projects? Should each unit in a coordinated project be emphasized singly or should it be given equal or proportionate emphasis as a local situation warrants or the timeliness of the particular project to the situation? There is a great demand at the present time for more work in marketing. The farmers of our respective states may not have the same conception of what is meant by marketing as do the Extension Staff. The farmer, demands improved marketing or cooperative marketing as a means to secure better prices for the things he sells. A better price or a higher price for the products sold does not necessarily mean greater profit. The cost of production may be too high. The particular commodity sold at higher prices may be out of line with the production organization of the farm as a whole and may, even with higher prices, show a less return than some substitute commodity more adaptable to the farming system. Our first consideration in the interests of Extension Work as a whole should be to see that farming effort is translated into net money return. What respective places then do marketing extension work, farm management and production programs take in such a scheme and what is their relative importance.

The commodity specialist is usually interested in his particular commodity, largely in terms of more production per unit and of better quality.

*Address presented before the Central States Extension Conference, Purdue University, La Fayette, Ind., April 24 to 26, 1929.

DISTRIBUTION: A copy of this pamphlet has been sent to extension directors, marketing extension specialists, and State county agent leaders.

In most cases he is interested in reducing the cost of production of that commodity but up to the present time the production specialist's program has not included any relation to the general supply and demand situation, either domestic or foreign, as it may affect the price trend of that commodity. There has been but very little correlation between a production program and its economic adjustment to the general agricultural situation.

Farm management tends to relate all of the commodities produced into a general scheme for the maximum utilization of land, labor, power and equipment. Only recently have we attempted to plan the farm organization in line with the trends in markets. There is, therefore, a very definite purpose in coordinating the farm management program with the market and price prospects of the various commodities produced.

The function of a marketing specialist is to educate producers in the matter of securing more net returns from the sale of their farm products. This can be done in a variety of ways such as: improving the grade of the product, selling the kind of product the market demands, better distribution and by marketing through cooperative effort. If this interpretation of marketing is correct, does it stand alone as a program and does it deserve the emphasis farmers desire placed upon this subject unless it is coordinated into a more general program involving adjustment of production and adhering to a farming scheme adaptable to specific regions.

Let us take the example of beef cattle. Following the war period prices on good, beef cattle have fluctuated from seven dollars per hundred up to eighteen dollars per hundred or a variation of nearly three-hundred percent and the prices have been in close correlation with the annual supply placed upon the market. Here is a range in price of practically eleven dollars per hundred. If cooperative effort in marketing is the principal solution of the farmers' marketing problem, what has been the saving effected by such cooperative enterprises? Fifty cents per hundred would probably be a good margin over and above independent selling. How does this compare with the variations in returns from an oversupply or under-supply of cattle available for the market? From the standpoint of possibilities of profit to the producer it seems that it is much more important to have the production supply of beef cattle in line with market demand in order to make profit, than just the organizing of a cooperative to merchandise more effectively. This is not saying that cooperative marketing or better marketing should be ignored, or that it is not a profitable enterprise for the farmer to be associated with, but no system of efficient merchandising can return profits to a farmer when confronted with large surpluses for which there is no demand. A production program must be considered along with the marketing program of the product in question. Cooperative organization can be an aid in developing a more national production program as well as efficient marketing.

Farm management or the cost of production of each specific commodity must also be considered. Excessive costs of production cannot be overcome by any system of marketing or better merchandizing. The middle-western grain producer using the combine and power equipment on a large scale has reduced

the cost of production from about twenty cents per bushel. His small-time competitor with the self-binder should not expect the farmer's cooperative elevator or the wheat pool to make up this difference in price return. Sows to farrow this spring indicate a pig crop of numbers smaller than last year and with price prospects on a high level basis for next winter and spring. Here is an opportunity for the farm management and commodity specialist to consider the marketing possibilities and to encourage more than ever the principles of hog management and sanitation in order to save and raise as many pigs as possible. The price prospect from the marketing standpoint seems to indicate very profitable returns for a little extra effort in raising the maximum number of pigs from the litters farrowed this spring.

With these few examples and remarks I trust it is clear that the marketing extension specialist, the commodity specialist and a farm management specialist must work together on a coordinated program if we are to hold faith and discharge our responsibilities to our farmer constituents. They support the Extension Work in a financial and moral way from the standpoint of securing service and information which will bring them greater money returns from their farming effort. Certain elements of the farming public have charged us with misleading them in our past agricultural program and, some of their criticism is well-founded and justified. There is a greater necessity of having the specialists, mentioned above, meet in frequent conferences where a thorough and systematic analysis of agricultural problems can be made and a coordinated extension program planned. Our County Agents need this training and point of view.

It takes funds to make the wheels of Extension Work turn. Unless we make that Extension Work serve an economic purpose to the farmer in a broad way, we are apt to have a backspin that will limit the resources available for effective and efficient Extension Work. As an Administrator of Extension Work I should say that more coordination of the three factors under discussion is essential and necessary.

